

APPENDIX 4

From: Perri, Dr.Nancy
To: 'Julius Romero'
Sent: Friday, December 22, 2006 11:05 AM
Subject: RE: final affiliation agreement

Thanks Julius.

We are on line now with the CFO at DeVry.

They are still asking if the lock in rate of 312.50 per week applies to Wyckoff for the 4 years.

-----Original Message-----

From: Julius Romero [mailto:jur9004@nyp.org]
Sent: Wed Dec 20 23:10:22 2006
To: Perri, Dr.Nancy
Subject: final affiliation agreement

Hi Dr. Perri,

I was relieved to have that teleconference with you, Mr. Gio, Dr. Freiberg and Mr. Shepherd yesterday. The afternoon teleconferences yesterday consolidated all concerns and unified all communication. The terms of the agreement should be favorable for both parties, with prepayment terms as currently stated due 12/27/06. The draft from Rich Sarli evolved from the boilerplate we submitted on 12/8/06, adding a line from the 8/21/06 proposal. The slots we discussed at Caritas are intact as per Exhibit A of the agreement.

Personally, I thought that these concerns could have been raised earlier, between August and the timeline you and I discussed several weeks ago. Moving forward, I hope to enhance our communication even more.

Caritas encompasses Saint John's Queens Hospital and Mary Immaculate Hospital under the auspices of Brooklyn Queens Healthcare (BQHC), which also operates Wyckoff Heights Medical Center.

Caritas and Wyckoff will have separate clinical affiliation agreements, maintaining autonomous graduate medical training programs. Caritas maintains New York Medical College as its academic affiliate and sponsor for its ACGME-accredited programs. Wyckoff maintains Weill Medical College of Cornell as its academic affiliate. All core rotations at all hospitals are 'green book'.

As for the rate, the standard medical student clerkship rate set by BQHC for Caritas and Wyckoff affiliates is \$350. Wyckoff's current agreement with RUSM (renewed in July 2006) is at \$312.50. The lock-in rate for Ross at Caritas is \$312.50 for four years from the date of the agreement. In addition, the Caritas pre-payment agreement will offer interest on the unused prepaid amount at LIBOR+1 per annum.

An executed agreement (two originals) is forthcoming via express mail.

I would appreciate your feedback. All schedules at Caritas for 1/8/07 are still on hold going in to the holiday week ahead.

Please feel free to email or contact me via cell so I may apprise Dominick Gio and Harold McDonald. Thanks.

Julius

Julius Romero
Caritas Healthcare Planning, Inc. & Wyckoff Heights Medical Center

----- Original Message -----

From: "Perri, Dr.Nancy" <NPerri@RossU.edu>
Date: Wednesday, December 20, 2006 3:53 pm
Subject: RE: final affiliation agreement



> Hi Julius,
> Dr. Shepherd received an updated version of the agreement yesterday,
> early evening from Mr. Sarli after his conversation with Dom Gio. The
> terms look much more favorable and he is working with DeVry so we can
> move toward execution.
> I just had a quick question for my own clarification if you might
> respond. The organization now called "Caritas"; does that include
> Wyckoff addition to SJ and MI?
> If not do you understand the deal to fix our rate for the 4 years at
> \$312.50/week/student at all 3 hospitals??(Wyckoff, MI, and SJ).
> I ask only so as when I do my departmental budget planning, I know
> what direction I am going.
> I believe Dom addressed this yesterday when I spoke with him (and in
> fact it was a fix rate at all 3 hospitals), but I am not totally clear
> on whether the new title "Caritas" covers all.
> Thanks again.
> Nancy

> -----Original Message-----

> From: Julius Romero [jur9004@nyp.org]
> Sent: Tuesday, December 19, 2006 5:41 PM
> To: St. James, John
> Cc: rsarli@wyckoffhospital.org; Perri, Dr.Nancy
> Subject: final affiliation agreement

> Mr. St. James,

> The revised agreement was received this afternoon. The executed
> agreement will be delivered to RUSM tomorrow.

> Have a safe trip back.

> Julius Romero

> Caritas

> St. James, John wrote:

>

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>> Gentlemen,

>>

>> I apologize for not getting this markup to you yesterday.

> However I

>> am at the Dominican Campus and had some trouble with my e-mail

> and

>> was unable to execute. Hopefully this e-mail gets through this
> morning.

>>

>> Ross management reviewed the document again after our
> conversation on

> Friday and made adjustments based on that conversation.

>>

>> The changes are as follows:

>>
>> First, we reduced the prepayment from \$2.9 million to 2.5
> million
>> (it will take 2 years to do rotations equal to \$2
>> million) as we are only being credited for STJ and MI rotations.
> I
>> reduced the second payment to \$1.5 million and made it July 1,
> 2008.
>> In this way Caritas receives a substantial prepayment now and
> can plan
>
>> on an additional influx of cash in 18 months.
>>
>> We also changed the rate for electives from full price for the
> first
>> two years since this is such a hit to our budget for the price
>> increase for both core and electives; and the additional
> secretarial
>> and library assistance costs. In addition to the substantial
> increase
>> in direct rotation costs, Ross also loses the use of the
> prepaid
>> funds and the interest we would have earned on those funds.
>>
>> Last, we adjusted the guarantee by Caritas to encompass a
> minimum of
>> 50 core and a minimum of 50 electives during the term of the
> contract
>> as well as exonerating our right to 50% of additional rotations.
> This
>
>> was based on the conversation with Julius concerning the
> original
>> complement of 50 core and 20 electives.
>>
>> Please ensure you contact Dr. Shepherd and Dr. Perri with your
>> response as I am not certain that all communications are getting
> to me
>
>> in Dominica.
>>
>> We look forward to hearing from you so we can come to a final
>> agreement and move forward.
>>
>> Thank you.
>>
>> John St. James
>> Chief Financial Officer, Ross University School of Medicine
>>
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> -----
>> *From:* St. James, John
>> *Sent:* Friday, December 15, 2006 2:26 PM
>> *To:* 'ris9022@nyp.org'
>> *Subject:* FW: draft affiliation agreement
>> *Importance:* High
>> *Sensitivity:* Confidential
>>
>> Mr. Sarli,
>>

>> Sorry entered the wrong e-mail address for you.
>>
>> JTS
>>
>>
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> ----
>> *From:* St. James, John
>> *Sent:* Friday, December 15, 2006 1:32 PM
>> *To:* 'ris9022@nyp.com'; 'jur9004@nyp.org'
>> *Cc:* Shepherd, Dr. Thomas; Perri, Dr.Nancy; Raymundo, Wilfredo R.
>> *Subject:* FW: draft affiliation agreement
>> *Importance:* High
>> *Sensitivity:* Confidential
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>>
>> Mr. Sarli and Mr. Romeo,
>>
>> I am sending the original draft to you as agreed on the phone
> this
>> morning. I apologize for the delays but my top assistant
>> was hospitalized this week with multiple strokes and my time had
> to be
>
>> directed to other areas for the short-term.
>>
>> However, I reviewed the contract language with our management
> last
>> night. That review and subsequent discussion created
>> serious questions on the commercial aspects of this proposal.
> Please
>> remember that Ross remains committed to an arrangement and wants
> to
>> move ahead but we need both clarity and movement on important
> issues.
>>
>> First is the number of slots. Schedule A stipulates a total of
> 50
>> core slots plus an additional 20 electives will be provided .
> We
>> currently have about 50 students per week already at the two
>> facilities (St. John's and Mary Immaculate). The original
> proposal
>> indicated for the level of prepayment (\$5 million) a participant
>> (Ross) would receive an incremental 100 rotation slots (Letter
> dated
>> August 21, 2006 from Mr. Dominick Gio). The proposal as
> written
>> appears to add only 20 slots not 100 as was first projected.
> Our
>> interest remains in "real" incremental growth of clinical
> slots . This is a major issue to Ross.
>
>> Second is the 16,000 weeks also mentioned in Schedule A . That

> figure
>> represents about 4 and 1/2 years of rotations at the 70 rotation
> level
>> at STJ and MI (This assumes 100% utilization every week or
> 3,640
>> weeks per year). It would mean that the prepayment would
> represent
>> over 4 years of rotations rather than the two or less years
>> originally discussed (the term of the contract is stated as 4
> years
>> versus the 2 originally discussed. There is no mention that the
>> rotations done at Wyckoff are part of the agreement and would
> apply to
>
>> the prepayment which we discussed. The risk of the longer
> term may
>> create problems for Ross in selling this proposal to DeVry.
>>
>> Third, there is no mention of how the pay down process would
> work and
>> the agreement is silent on the interest to be paid on the
> unamortized
>> balance of the prepayment (referred to in Mr. Gio's letter) .
> Also
>> the agreement is silent on the Ross proposal to take the
> interest
>> payments in the form of rotation weeks to help Caritas with cash
> flow
>> issues.
>>
>> Fourth, there is no mention of a price freeze for the term of
> the
>> contract mentioned in the letter and as we discussed; conversely
> the
>> proposal contains an increase in the rate we currently pay
> STJ and
>
>> MI for core rotations by 4.2% and the rate for electives by
>> 108%. Ross want to maintain the status quo on rates for the
> term of
>> the agreement.
>>
>> Additionally no mention is made of the 5% discount feature from
>> current rates mentioned in Mr. Gio's letter
>>
>> Fifth, there has been an estimated increase in our expected
>> contribution for secretarial by \$24,000 and our contribution for
>> library support by \$5,000, neither of which we discussed.
> Point c
>> under section II indicates that library access will be made if
>> available, why is this constraint there if we are paying for
> library
>> support.
>>
>> And we didn't see a mention of the first right of refusal for
>> additional slots nor the non-dilutive position relative to new
> slots.
>>
>> Our lawyers continue to work on the language in the contract
> itself.
>> However we have to have agreement on the commercial terms to
> have
>> their work be meaningful.

>>
>> I will call you at 2:30 today to discuss.
>>
>> JTS
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>> *From:* Perri, Dr.Nancy
>> *Sent:* Friday, December 15, 2006 11:51 AM
>> *To:* St. James, John; Canderozzi, Judi
>> *Subject:* FW: draft affiliation agreement
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>> *From:* St. James, John
>> *Sent:* Fri 12/8/2006 5:37 PM
>> *To:* Shepherd, Dr. Thomas; Perri, Dr.Nancy; Wahlig, Bruce C.;
>> Raymundo, Wilfredo R.
>> *Cc:* Caggiano, Christopher; Webster, David
>> *Subject:* FW: draft affiliation agreement
>>
>> Please review, we will discuss Monday.
>>
>> The first e-mail from Mr. Hoffman, did not have an attachment.
>>
>> JTS
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>> *From:* DHoffman [DHoffman@wyckoffhospital.org]
>> *Sent:* Friday, December 08, 2006 5:36 PM
>> *To:* St. James, John; St. James, John
>> *Cc:* Kenneth Frieberg; Dominick Gio; Harold Mcdonald; Julius
>> Romero;
>> Hal McNeil; Richard Sarli
>> *Subject:* draft affiliation agreement
>>
>> Dear Mr. St James,
>>
>>
>>
>> Attached please find the draft affiliation agreement. Please let
> me
>> know if you would like anything revised. To speed the process
> of
>> review I am circulating this draft to all concerned parties, so
> it
>> remains subject to revision by Caritas.
>>
>>
>>
>> Very truly yours,

>>
>>
>>
>> DAVID N. HOFFMAN
>>
>>
>>
>> GENERAL COUNSEL &
>> VICE PRESIDENT FOR
>> ETHICS AND COMPLIANCE
>> WYCKOFF HEIGHTS MEDICAL CENTER
>> 374 STOCKHOLM STREET
>> BROOKLYN, N.Y. 11237
>> 718-963-6117
>> FAX: 718-963-6788
>> PAGE: 917-895-2140
>> DNH9001@NYP.ORG <DNH9001@NYP.ORG>
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